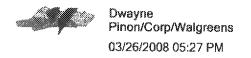
EXHIBIT 348



To lisa.d.sullivan@usdoj.gov

bcc

Subject Suspicious Order Reporting

Ms. Sullivan:

It was a pleasure speaking with you at the NACDS meeting in Dallas. As we discussed, the Detroit DEA office recommended to our Perrysburg, Ohio distribution center that Walgreens use the formula in Appendix E-3 of the Chemical Handlers Manual reproduced below when determining whether a controlled substance order may be considered suspicious. My reading of Appendix E-3 confirms that this guidance may be somewhat ambiguous. As we discussed, Walgreens would appreciate the opportunity to work with DEA to update our current suspicious order reporting system and make it more user friendly. Please pass my contact information along to the appropriate individual(s) at DEA. Thank you for your assistance in this matter.

Dwayne A. Pinon, RPh, Senior Attorney Corporate & Regulatory Law 104 Wilmot Road, MS 1447 Deerfield, IL 60015 (847) 315-4452 (847) 315-4660 (fax)

The contents of this message are confidential attorney work product and may be protected by the attorney-client privilege. If you have received this message and are not the intended recipient, please contact the sender at dwayne.pinon@walgreens.com.

Appendix E-3

Suspicious Order Reporting System for Use in Automated Tracking Systems

Terms & Definitions

This voluntary formula is for use by distributors to wholesale and retail levels. The formula calculates the quantity which, if exceeded in one month, constitutes an order which may be considered excessive or suspicious and therefore require reporting to DEA.

- 1) Add purchase quantities for the last 12 months for all customers within same Distribution Center and for customer type (Hospital, Pharmacy or Other) for any List I chemical containing item stocked by the Distribution Center.
- 2) Add Customer months for every record used in above total. (Months within the last 12 that customer purchases of the item were not zero.)
- 3) Divide total quantity purchases by the total customer months.
- 4) Then multiply by the factor below to give the maximum amount that the customer can order per month before showing up on the suspicious order report.

Note: Factor equals 3 for C-II and C-III Controlled Substances Containing List I Chemicals and 8 for C-III-IV-V Controlled Substances and non-Controlled OTC

CONFIDENTIAL

products containing List I chemical items.

5) At the end of each month, a report will be transmitted to DEA (separate reports for List I Chemicals and Schedule II-V Controlled Substances) of all purchases of List I Chemicals and/or C-II-V Controlled Substances and List I containing OTC items by any customer whose purchase quantities exceed the parameters (above) any (2) consecutive months or in three (3) of any moving six (6) month period.

Using a computer to manage and report on high volume transaction business activities with extremely short order cycle times (receipt to delivery) is the only viable, cost effective methodology for the reporting of orders which may be considered excessive or suspicious.



U.S. DEPARTMENT OF JUSTICE DRUG ENFORCEMENT ADMINISTRATION

Lisa D. Sullivan Diversion Program Manager

Dallas Field Division

10160 Technology Bivd., East Telephone: (214) 366-6936 Dallas, TX 75220 Fax: (214) 366-6902 E-mail: lisa.d.sullivan@usdoj.gov